



Maine Bureau of Insurance  
Rates Acceptable

By: RND  
Date: 4/18/06

**Jared A. Albert, ASA, MAAA**  
Individual Products - Actuarial  
Aetna, Inc.  
151 Farmington Ave, RE1M  
Hartford, CT 06156  
AlbertJ2@aetna.com  
Tel: (860) 273-5766  
Fax: (860) 273-9800

March 9, 2006

Mr. Richard H. Diamond, FSA, MAAA  
Life & Health Actuary  
Maine Bureau of Insurance  
Gardiner Annex  
124 Northern Ave.  
Gardiner, ME 04345

Re: **Aetna Health Inc.**  
**Maine HMO Individual Advantage Plans (Standard & Basic)**

Dear Mr. Diamond:

I am filing with your Bureau updated rates for our guarantee-issue Individual Basic and Standard Health Plans. This file is not intended to be used for any purpose other than to comply with regulatory requirements.

Rates were last changed for July 1, 2004 effective dates. We intend to increase rates 15% over the current rate structure for effective dates July 1, 2006 and later.

Attachments:

- Actuarial Memorandum
- Exhibit 1: Current Rate Structure
- Exhibit 2: Updated Rate Structure
- Sample Renewal Letter
- Check for \$20

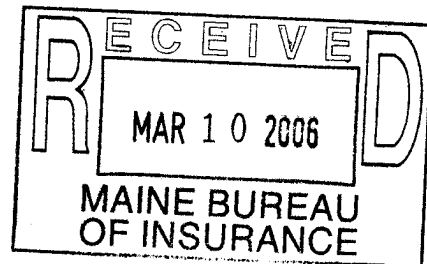
We trust that you will find everything in order, and we look forward to your response. If you have any questions regarding this filing, please do not hesitate to contact me at the address or telephone number shown above.

Very truly yours,

Jared Albert, ASA, MAAA  
Aetna Individual Products - Actuarial

CK # 477986 \$20. —

STAH-6MRQGW907 / RD  
3/10/06



## ACTUARIAL MEMORANDUM

### 1. Scope and Purpose of Filing

We are filing a premium rate revision to our HMO Individual Health Plan (Basic and Standard Plans), effective July 1, 2006 and later. This health product is an open block of business.

### 2. Description of Benefits

This policy provides medical expense benefits. These benefits may be subject to various copays, deductibles, and coinsurance. Rates vary by benefit, age, area, and tier. Rates do not vary by gender or tobacco use.

### 3. In Force Business

As of December 31, 2005, there are 6 policyholders with an annualized premium of \$79,796. All policies will receive a fifteen percent increase over the current rate structure.

### 4. Proposed Effective Date

Rates are intended to become effective at the policyholders anniversary date on or after July 1, 2006.

### 5. Morbidity

The average morbidity load is approximately 40%.

### 6. Issue Age Range

Premiums are on an attained age basis as of the effective date.

### 7. Average Premium

The average annual premium per certificate holder is \$13,393 prior to rate adjustments. The average annual premium per certificate holder after the proposed increase will be \$15,402.

### 8. Experience on the Form

Below is the experience for the last four calendar years with data paid through December 31, 2005.

<u>Time Period</u>	<u>Members Months</u>	<u>Incurred Claims</u>	<u>Earned Premium</u>	<u>Medical Cost Ratio</u>
2002	283	\$434,051	\$185,083	234.5%
2003	140	\$168,793	\$121,511	138.9%
2004	80	\$44,972	\$77,806	57.8%
2005	58	\$286,859	\$62,001	624.0%

9. National Experience

This form is particular to Maine.

10. Renewability Clause

Policies are guaranteed renewable.

11. Loss Ratios

The minimum loss ratio on the form is 55%. The anticipated loss ratio for future periods is greater than 100%.

12. Premium Classes

All policies are in one class. The differential between the rates for residents of Northern Maine (counties of Aroostook, Hancock, Penobscot, Washington, Piscataquis, Somerset) and Southern Maine (counties of Cumberland, Sagadahoc, Androscoggin, Knox, York, Franklin, Lincoln, Oxford, Kennebec, Waldo) is 15% subject to the maximum differential between the lowest and highest rate cell for each tier. This results in an area differential that ranges between 0 – 15%.

13. Marketing Method

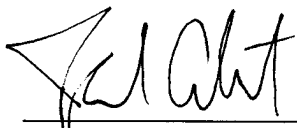
This product is sold through brokers and/or Aetna representatives. This applies to renewals as well as new business.

14. Medical Underwriting

This form is not medically underwritten.

15. Actuarial Certification

I, Jared Albert, am a member of the American Academy of Actuaries and am qualified in the area of health insurance. I certify that to the best of my knowledge and judgment, the entire rate filing is in compliance with the applicable laws of the State of Maine and with the rules of the Bureau of Insurance.



Jared Albert, ASA, MAAA  
Aetna, Inc.  
Individual Products - Actuarial

3-9-06

Date

**Exhibit 1**  
**Current Monthly Rate Structure**

**HMO Standard Plan - Southern ME**

Age	Single	Couple	Parent/Children	Family
<25	\$812.16	\$1,605.90	\$1,380.68	\$2,217.83
25-29	\$812.16	\$1,605.90	\$1,380.68	\$2,217.83
30-34	\$812.16	\$1,649.70	\$1,380.68	\$2,261.75
35-39	\$812.16	\$1,653.91	\$1,380.68	\$2,265.28
40-44	\$993.90	\$1,897.15	\$1,728.92	\$2,480.43
45-49	\$1,015.83	\$2,074.82	\$1,759.25	\$2,741.23
50-54	\$1,023.01	\$2,102.24	\$1,968.79	\$2,759.77
55-59	\$1,218.25	\$2,243.96	\$2,071.02	\$3,066.41
60-64	\$1,218.25	\$2,408.85	\$2,071.02	\$3,326.75
65+	\$1,218.25	\$2,408.85	\$2,071.02	\$3,326.75

**HMO Standard Plan - Northern ME**

Age	Single	Couple	Parent/Children	Family
<25	\$933.99	\$1,846.89	\$1,587.62	\$2,550.51
25-29	\$933.99	\$1,846.89	\$1,587.62	\$2,550.51
30-34	\$933.99	\$1,896.87	\$1,587.62	\$2,601.27
35-39	\$933.99	\$1,902.34	\$1,587.62	\$2,605.17
40-44	\$1,143.28	\$2,181.91	\$1,988.24	\$2,852.72
45-49	\$1,168.27	\$2,385.73	\$2,023.38	\$3,152.60
50-54	\$1,176.86	\$2,409.16	\$2,071.02	\$3,173.68
55-59	\$1,218.25	\$2,409.16	\$2,071.02	\$3,326.75
60-64	\$1,218.25	\$2,409.16	\$2,071.02	\$3,326.75
65+	\$1,218.25	\$2,409.16	\$2,071.02	\$3,326.75

**HMO Basic Plan - Southern ME**

Age	Single	Couple	Parent/Children	Family
<25	\$672.93	\$1,330.59	\$1,143.98	\$1,837.62
25-29	\$672.93	\$1,330.59	\$1,143.98	\$1,837.62
30-34	\$672.93	\$1,366.89	\$1,143.98	\$1,874.01
35-39	\$672.93	\$1,370.37	\$1,143.98	\$1,876.94
40-44	\$823.51	\$1,571.92	\$1,432.53	\$2,055.20
45-49	\$841.68	\$1,719.13	\$1,457.66	\$2,271.29
50-54	\$847.63	\$1,741.85	\$1,631.28	\$2,286.66
55-59	\$1,009.40	\$1,859.27	\$1,715.98	\$2,540.73
60-64	\$1,009.40	\$1,995.89	\$1,715.98	\$2,756.43
65+	\$1,009.40	\$1,995.89	\$1,715.98	\$2,756.43

**HMO Basic Plan - Northern ME**

Age	Single	Couple	Parent/Children	Family
<25	\$773.87	\$1,530.27	\$1,315.45	\$2,113.26
25-29	\$773.87	\$1,530.27	\$1,315.45	\$2,113.26
30-34	\$773.87	\$1,571.68	\$1,315.45	\$2,155.32
35-39	\$773.87	\$1,576.21	\$1,315.45	\$2,158.56
40-44	\$947.28	\$1,807.86	\$1,647.39	\$2,363.67
45-49	\$967.99	\$1,976.74	\$1,676.51	\$2,612.14
50-54	\$975.10	\$1,996.15	\$1,715.98	\$2,629.61
55-59	\$1,009.40	\$1,996.15	\$1,715.98	\$2,756.43
60-64	\$1,009.40	\$1,996.15	\$1,715.98	\$2,756.43
65+	\$1,009.40	\$1,996.15	\$1,715.98	\$2,756.43

**Exhibit 2**  
**7/1/06 Monthly Rate Structure**

**HMO Standard Plan - Southern ME**

Age	Single	Couple	Parent/Children	Family
<25	\$933.99	\$1,846.78	\$1,587.78	\$2,550.51
25-29	\$933.99	\$1,846.78	\$1,587.78	\$2,550.51
30-34	\$933.99	\$1,897.15	\$1,587.78	\$2,601.02
35-39	\$933.99	\$1,901.99	\$1,587.78	\$2,605.07
40-44	\$1,142.98	\$2,181.72	\$1,988.26	\$2,852.49
45-49	\$1,168.20	\$2,386.04	\$2,023.14	\$3,152.41
50-54	\$1,176.47	\$2,417.58	\$2,264.11	\$3,173.74
55-59	\$1,400.98	\$2,580.56	\$2,381.67	\$3,526.38
60-64	\$1,400.98	\$2,770.17	\$2,381.67	\$3,825.76
65+	\$1,400.98	\$2,770.17	\$2,381.67	\$3,825.76

**HMO Standard Plan - Northern ME**

Age	Single	Couple	Parent/Children	Family
<25	\$1,074.09	\$2,123.92	\$1,825.77	\$2,933.08
25-29	\$1,074.09	\$2,123.92	\$1,825.77	\$2,933.08
30-34	\$1,074.09	\$2,181.40	\$1,825.77	\$2,991.46
35-39	\$1,074.09	\$2,187.69	\$1,825.77	\$2,995.95
40-44	\$1,314.77	\$2,509.19	\$2,286.47	\$3,280.63
45-49	\$1,343.51	\$2,743.59	\$2,326.89	\$3,625.49
50-54	\$1,353.38	\$2,770.53	\$2,381.67	\$3,649.74
55-59	\$1,400.98	\$2,770.53	\$2,381.67	\$3,825.76
60-64	\$1,400.98	\$2,770.53	\$2,381.67	\$3,825.76
65+	\$1,400.98	\$2,770.53	\$2,381.67	\$3,825.76

**HMO Basic Plan - Southern ME**

Age	Single	Couple	Parent/Children	Family
<25	\$773.87	\$1,530.18	\$1,315.58	\$2,113.26
25-29	\$773.87	\$1,530.18	\$1,315.58	\$2,113.26
30-34	\$773.87	\$1,571.92	\$1,315.58	\$2,155.11
35-39	\$773.87	\$1,575.93	\$1,315.58	\$2,158.48
40-44	\$947.04	\$1,807.70	\$1,647.40	\$2,363.48
45-49	\$967.93	\$1,976.99	\$1,676.30	\$2,611.98
50-54	\$974.78	\$2,003.12	\$1,875.97	\$2,629.65
55-59	\$1,160.81	\$2,138.16	\$1,973.37	\$2,921.84
60-64	\$1,160.81	\$2,295.27	\$1,973.37	\$3,169.90
65+	\$1,160.81	\$2,295.27	\$1,973.37	\$3,169.90

**HMO Basic Plan - Northern ME**

Age	Single	Couple	Parent/Children	Family
<25	\$889.95	\$1,759.81	\$1,512.77	\$2,430.25
25-29	\$889.95	\$1,759.81	\$1,512.77	\$2,430.25
30-34	\$889.95	\$1,807.44	\$1,512.77	\$2,478.62
35-39	\$889.95	\$1,812.64	\$1,512.77	\$2,482.34
40-44	\$1,089.37	\$2,079.04	\$1,894.50	\$2,718.22
45-49	\$1,113.18	\$2,273.25	\$1,927.98	\$3,003.96
50-54	\$1,121.37	\$2,295.57	\$1,973.37	\$3,024.05
55-59	\$1,160.81	\$2,295.57	\$1,973.37	\$3,169.90
60-64	\$1,160.81	\$2,295.57	\$1,973.37	\$3,169.90
65+	\$1,160.81	\$2,295.57	\$1,973.37	\$3,169.90



March 9, 2006

Dear Policyholder:

We are proposing to increase our rates on this product due to the rise in the cost of health care. The proposed increase is 15%. This does not include any rate change that may result from a change in your age or Medicare eligibility status. The proposed rates are shown on the enclosed rate schedule. We believe that your policy provides valuable coverage at competitive rates. The new rate schedule is proposed to take effect on July 1, 2006. Your rate will not increase until your next premium due date on or after July 1<sup>st</sup>.

The proposed increase is subject to approval by Maine's Superintendent of Insurance. Pursuant to Title 24-A M.R.S.A. § 229, you have a right to request that the Superintendent hold a public hearing on the proposed increase by writing, within 30 days after the date you receive this notice, to: Superintendent of Insurance, 34 State House Station, Augusta, Maine 04333-0034. Your request should state your reasons for requesting a hearing. Alternatively, you can provide written comments to the Superintendent by writing to the same address. Maine law does not require the Superintendent to hold a hearing. Maine law requires the Superintendent to allow the increase if it is found to be adequate to pay anticipated claims and is found not to be excessive or unfairly discriminatory. These standards apply regardless of whether a public hearing is held.

A premium rate table is attached for your reference. Questions concerning your premium should be referred to:

D.L. Tremblay  
P.O. Box 2117  
Fall River, MA 02722  
(508) 675-7887